(c) if so, in view of lack of basic facilities in the coastal areas of Andhra Pradesh the fishermen from Andhra Pradesh are not really reaping the benefits; and

(d) if so, what his Ministry is doing for providing facilities for export of Tuna fish to other countries of the world?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Yes, Sir. The export trend of tuna from India to USA & EU during the last five years shows that there is a lot of demand for Tuna fish in USA and EU.

(b) Indian ocean including Bay of Bengal is one of the most potential zones for tuna, especially the yellow fin tuna;

(c) and (d) Marine Products Export Development Authority (MPEDA) have taken following steps for providing facilities for export of Tuna fish to other countries of the world:-

(i) MPEDA has engaged a master fisherman from Australia and converted two fishing vessels to tuna long liners for provided training to tuna fishermen.

(ii) MPEDA has assisted 26 vessel owners of Andhra Pradesh in converting their vessels into tuna long liners by giving them subsidy to the tune of Rs.197 lakh.

(iii) MPEDA has launched a pilot project to improve the quality of the tuna caught by the vessels by providing insulated fish boxes for carrying ice to improve the quality of the tuna landed after fishing.

(iv) MPEDA has an Action Plan for the development of Tuna fishery in Andamans including empowering fishermen for tuna fishing, developing landing facilities, developing packing facilities, develop handling facility and to have air freight facilities for tuna.

(v) MPEDA has assisted 100 fishermen by providing Insulated fish boxes for holding tuna and also provided two sets of vertical long-lines for tuna fishing.

(vi) MPEDA has taken the initiative to have a tuna packing facility at National Institute of Fisheries Post Harvest Technology and Training with the assistance of National Fisheries Development Board at Visakhapatnam.

Recovery of exports

2729. SHRIMATI JAYA BACHCHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that export scene is likely to remain grim this year too;

(b) if so, what are the reasons coming in the way of recovery of exports; and

(c) the steps being contemplated to address the problem?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (c) Quick Estimates of monthly trade statistics for the first three months of the current financial year, 2009-10 indicate significant decline in India's merchandise exports. While there are various contributory factors, global slowdown and recession, particularly in the developed countries, leading to erosion in demand, is a significant factor for the decline. The Government and RBI announced a number of measures in the Stimulus Packages and in

the Budget, 2009-10 to arrest the decline in exports. Measures announced so far, particularly for export sector, are given in the statement (see below). Government closely monitors the different export sectors and need based measures are taken keeping in view the financial implications.

Statement

Steps taken by Government/RBI (including the announcements made in the budget, 2009-10) to address the concerns of exporters arising out of present global economic slow down.

(**A**) **Measures taken by the Government**:

(1) Interest subvention of 2% provided till 30.09.2009, has been extended upto 31.3.2010, to the following labour intensive sectors for exports:-

Textiles (including Handlooms), Handicrafts, Leather, Gems & Jeweflery, Marine Products and SMEs;

(2) Additional funds of Rs 350 crore provided (in December 2008) for Handicraft items etc. in Vishesh Krishi and Gram Udyog Yojana (VKGUY);

(3) Market Linked Focus Product Scheme extended for bicycle parts, Motor Cars and Motor Cycles, Apparels and Clothing accessories, Auto Components etc.for exports from 1.4.09 to 30.09.09;

(4) Rs 1100 crore provided to ensure full refund of pending claims of CST / Terminal Excise duty /Duty drawback on deemed exports;

(5) Exporter friendly and the popular Duty Neutralisation Scheme i.e., Duty Entitlement Passbook (DEPB) Scheme extended upto 31st December, 2009;

(6) DEPB rates for all items where they were reduced in November, 2008, restored to higher rates from retrospective effect;

(7) Duty Drawback rates on certain items restored to higher rates effective from 1st September, 2008;

(8) DEPB and Freely Transferable Incentive Schemes allowed without the initial requirement of Bank Realisation Certificate (BRC);

(9) Export Obligation Period under Advance authorization Scheme enhanced from 24 months to 36 months without payment of composition fee;

(10) Back-up guarantee made available to ECGC to the extent of Rs 350 crore to enable it to provide guarantees for exports to difficult markets/products. ECGC is now been able to widen its coverage;

(11) Additional funds of Rs 1400 crore provided to the Ministry of Textiles to clear the backlog claims of textile units under Technology Upgradation Fund (TUF);

(12) MDA Scheme- allocation increased to Rs.124 crores (increased by 148%);

(13) Additional items allowed within the existing duty free imports entitlement for the following employment oriented sectors:

(i) 5 additional items for sports goods sector;

(ii) Additional items for leather garments and footwear and textile items.

(14) Fringe Benefit Tax (FBT) abolished;

(15) Section 10A and 10B related to Sunset clauses for STPI and EOUs schemes respectively extended for the financial year 2010-2011. An maly removed in Section 10AA. related to taxation benefit or 'unit vis-a-vis assessee';

(16) Export duty on iron ore fines eliminated, and for lumps, reduced to 5%;

(17) Some pending issues relating to Service Tax refund on exports – resolved. Some of these are:

(i) Exemption from Service tax on services linked to exports:

(a) On service related to transport of export goods by road form any CFS or ICD to the port or Airport and on service related to transport of export goods by road directly from their place of removal, to an ICD, a CFS, a port or airport;

(b) Services provided by Foreign Agent Commission service.

(ii) Procedure for refund of service tax simplified by allowing refund on self certification in case refund claim does not exceed 0.25% of FOB value of exports; and certification by Chartered Accountant in case of others;

(iii) Time period for filing refund claim increased to 1 year from the date of export (as against half-yearly).

(18) For Fast Track Resolution of a number of procedural issues thereby reducing delays for the exporters, a Committee constituted under the Chairmanship of Finance Secretary including Secretaries of Department of Revenue and Commerce; A number of issues sorted out accordingly;

(19) Excise duty reduced across the board by 4 per cent, for all products except petroleum products and those products where current rate was less than 4%., Excise Duty was further reduced by another 2% in certain products like Leather etc.;

(20) The guarantee cover under Credit Guarantee Scheme for Micro and Small Enterprises on loans doubled to Rs 1 crore, with a guarantee cover of 50%. The guarantee cover extended by Credit Guarantee Fund Trust increased to 85% for credit facility upto Rs. 5 lakh. The lock-in period for such collateral-free loans reduced.

(21) An Adjustment Assistance Scheme initiated in December '08 to provide enhanced ECGC cover at 95% to the badly hit sectors, continued till March, 2010;

(22) To protect the domestic manufacturing industry from dumped/cheap imports, in particular, from China, import restrictions have been imposed on HR coil, Carbon Black, Polyester Filament Varn (PFY) and Radial Tyres (Bus & Trucks);

(23) Mega Handloom clusters in West Bengal and Tamil Nadu and Powerloom cluster in Rajasthan and New Mega clusters for carpets in Srinagar and Mirzapur approved;

(24) Basic customs duty of 5% on Rough / Unworked corals abolished;

(25) Import duty on naphtha for power sector eliminated;

(26) CVD on TMT bars and structurals and on cement removed;

(27) Exemption from basic customs duty on Zinc and Ferro Alloys withdrawn;

(28) Regular monitoring mechanism:-

(a) The situation is being regularly monitored at the highest level of Government, so that immediate further corrective measures, can be taken as may be required. In this regard, the Government has constituted the following two High Level Committees which have been deliberating the issue on regular basis:

(i) An Apex Group chaired by Prime Minister with Finance Minister, Commerce Minister, Deputy Chairman (Planning Commission), RBI Governor;

(ii) Committee of officers chaired by Cabinet Secretary, including Finance Secretary, Commerce Secretary, Secretary (DIPP), Secretary (Planning Commission)- to meet regularly to look into the suggestions made by Trade and Industry and the respective Administrative Ministries in respect of the current global economic and financial crisis and to recommend action to the Apex Group.

(b) Department of MSME and Department of Financial Services to jointly monitor on the progress of the meetings of Monthly meeting of State level Bankers' Committee for resolution of credit issues of MSME.

(B) **Measures taken by RBI**:

(a) Increase in Liquidity to the banks for improving credit flow, by:

(i) Reducing CRR, SLR, Repo rate and Reverse Repo rate (from Oct '08, CRR reduced from 9% to 5%, SLR reduced from 25% to 24%, Repo Rate reduced from 7.5 % to 4.75%, and Reverse Repo Rate reduced from 6% to 3.25%).

(ii) Refinance facility to the EXIM Bank for an amount of Rs. 5000 crores for providing pre-shipment and post-shipment credit in Rs. or dollars;

(iii) A special re-finance facility has been put in place for banks for the purpose of extending finance to exports, micro and small enterprises, mutual funds and NBFCs. Provisioning requirements have been lowered. Export Credit Refinance facility for commercial banks increased to 50% of the outstanding Rupee Export Credit.

(b) Increase in FOREX Liquidity:

(i) RBIs assurance for continued selling of foreign exchange (US $) through banks, to augment supply in the domestic foreign exchange market;

(ii) To enable banks to profitably lend to exporters in Foreign Exchange, Ceiling rates on export credit in foreign currency has been raised to LIBOR + 350 basis points, subject to the condition that the banks will not levy any other charges, i.e., service charge, management charge, etc. except for recovery towards out of pocket expenses incurred.

(c) Easing of Credit Terms:

(i) The period of pre-shipment and post-shipment Rupee Export Credit enhanced by 90 days each;

(ii) Time period of export realization for non-status holder exporters increased to 12 months, at par with the Status holders. This facility which was available upto 03.06.09, has been extended for one more year.

(iii) PSU Banks, consequent to measures announced by RBI, reduced the margin money on Guarantees for export units.

India on priority watch list of US

2730. SHRI VIJAY JAWAHARLAL DARDA:
SHRIMATI SYEDA ANWARA TAIMUR:
Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that US has placed India, on the Priority Watch List of Trading partners that do not provide an adequate level of Intellectual Property Right (IPR) protection or enforcement;

(b) if so, has US been apprised of the ground realities of improvements in our IPR infrastructure including modernisation of IP Offices, introduction of e-filing system, etc.; and

(c) whether there are any norms prescribed or practiced so far globally for not being kept on the Priority Watch List?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) India has been placed on the Priority Watch List of trading partners, along with 11 other countries, namely, China, Russia, Algeria, Argentina, Canada, Chile, Indonesia, Israel, Pakistan, Thailand and Venezuela, in the '2009 Special 301 Report' prepared by the Office of the United States Trade Representative (USTR).

(b) The Government of India provided a detailed update on the improvements in the IPR infrastructure in India to the United States (US) authorities well before the publication of the 2009 report.